

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

m
100

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

Date: 3/20/08

L.D. 701
(Filing No. H-788)

LEGAL AND VETERANS AFFAIRS

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "B" to H.P. 532, L.D. 701, Bill, "An Act To Authorize the Operation of Slot Machines on Indian Island in Old Town"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 8 MRSA §1003, sub-§2, ¶M, as enacted by PL 2003, c. 687, Pt. A, §5 and affected by Pt. B, §11, is amended to read:

M. Inform ~~commercial track operators~~ those applying for a license to operate slot machines that any slot machines licensed by the board must be compatible with the central site system of on-line monitoring used by the board;

Sec. 2. 8 MRSA §1011, as amended by PL 2005, c. 663, §6, is further amended to read:

§1011. License to operate

The board shall exercise authority over the licensing of all persons participating in the operation, distribution and maintenance of slot machines and slot machine facilities and over the registration of slot machines.

1. Operator license required. A person may not operate any slot machine in the State unless the person has been issued a license to operate slot machines by the board. A slot machine operator license authorizes a licensee to own or lease slot machines operated at a licensed gambling facility.

2. Eligible persons. The board may accept applications for a license to operate slot machines from a federally recognized Indian tribe in the State licensed to conduct high stakes beano as of January 1, 2007 and any person who is licensed to operate a commercial track that satisfies the following criteria:

A. The commercial track is located at or within a 5-mile radius of the center of a commercial track that conducted harness racing with pari-mutuel wagering on more than 25 days during calendar year 2002; and

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "B" to H.P. 532, L.D. 701

1 B. The operation of slot machines at the commercial track is approved by the voters
2 of the municipality in which the commercial track to be licensed is located by
3 referendum election held at any time after December 31, 2002 and before December
4 31, 2003.

5 **3. Requirements for license; continued commercial track licensure.** The board
6 may not issue a license to operate slot machines to any person unless that person
7 demonstrates compliance with the qualifications set forth in sections 1016 and 1019. A
8 person who is granted a license to operate slot machines at a commercial track must
9 maintain a license to operate a commercial track, without lapse, suspension or revocation
10 for the duration of the slot machine operator's license.

11 **4. Requirement for license; agreement with municipality where slot machines**
12 **are located.** A slot machine operator licensed to operate slot machines at a commercial
13 track shall enter into an agreement with the municipality where the slot machine
14 operator's slot machines are located that provides for revenue sharing or other
15 compensation, including, but not limited to, a provision requiring the preparation, in
16 conjunction with the municipality, of a security plan for the premises on which the slot
17 machines are located. The revenue-sharing agreement must provide for a minimum
18 payment to the municipality of 3% of the net slot machine income derived from the
19 machines located in the municipality.

20 **5. Renewal.** Licenses to operate slot machines may be renewed upon application for
21 renewal in accordance with this subchapter, subject to board rules.

22 **Sec. 3. 8 MRSA §1012, first ¶,** as enacted by PL 2003, c. 687, Pt. A, §5 and
23 affected by Pt. B, §11, is amended to read:

24 An application for renewal of a commercial track slot machine operator license must
25 first be approved under this section by the municipal officers of the municipality in which
26 the commercial track with slot machines is located or, if the commercial track is in an
27 unincorporated place, the application must be approved by the county commissioners of
28 the county in which the commercial track with slot machines is located.

29 **Sec. 4. 8 MRSA §1012, sub-§1,** as enacted by PL 2003, c. 687, Pt. A, §5 and
30 affected by Pt. B, §11, is amended to read:

31 **1. Hearings.** Municipal officers or county commissioners, as the case may be, may
32 hold a public hearing for the consideration of a request for the renewal of a license to
33 operate slot machines at a commercial track, except that, when an applicant has held a
34 license for the prior 5 years and a complaint has not been filed with the board against the
35 applicant within that time, the applicant may request a waiver of the hearing.

36 A. The board shall prepare and supply application forms for public hearings under
37 this subsection.

38 B. Municipal officers or county commissioners, as the case may be, shall provide
39 public notice of any hearing held under this section by causing, at the applicant's
40 prepaid expense, a notice stating the name and place of the hearing to appear on at
41 least 3 consecutive days before the date of the hearing in a daily newspaper having
42 general circulation in the municipality where the premises of the commercial track
43 with slot machines are located or one week before the date of the hearing in a weekly

COMMITTEE AMENDMENT "B" to H.P. 532, L.D. 701

1 newspaper having general circulation in the municipality where the premises are
2 located.

3 C. If municipal officers or county commissioners, as the case may be, fail to take
4 final action on an application for a renewal of a slot machine operator license within
5 60 days of the filing of an application, the application is considered approved and
6 ready for action by the board. For purposes of this paragraph, the date of filing of the
7 application is the date the application is received by the municipal officers or county
8 commissioners.

9 **Sec. 5. 8 MRSA §1018, sub-§1**, as amended by PL 2005, c. 663, §7, is further
10 amended to read:

11 **1. Fees.** The application fee for a license and the annual fee for a registered slot
12 machine under this chapter are as set out in this subsection.

13 A. The initial registration fee for a registered slot machine is \$100. The annual
14 renewal fee is \$100 for each registered slot machine.

15 B. The initial application fee for a slot machine distributor license is \$200,000. The
16 annual renewal fee is \$75,000.

17 C. The initial application fee for a commercial track slot machine operator license is
18 \$200,000 and \$55,000 for a license to operate slot machines held by a federally
19 recognized Indian tribe licensed to operate high stakes beano. The annual renewal
20 fee is \$75,000 for a commercial track slot machine operator license and \$20,000 for a
21 license to operate slot machines held by a federally recognized Indian tribe licensed
22 to operate high-stakes beano plus an amount, set by rules of the board, equal to the
23 cost to the board of licensing slot machine operators and determined by dividing the
24 costs of administering the slot machine operator licenses by the total number of slot
25 machine operators licensed by the board.

26 D. The annual application fee for a license for a gambling services vendor is \$2,000.

27 E. The initial application fee for an employee license under section 1015 is \$250.
28 The annual renewal fee is \$25.

29 In addition to the application fee for a license or annual fee for a registered slot machine,
30 the board may charge a one-time application fee for a license or registration listed in
31 paragraphs A to E in an amount equal to the projected cost of processing the application
32 and performing any background investigations. If the actual cost exceeds the projected
33 cost, an additional fee may be charged to meet the actual cost. If the projected cost
34 exceeds the actual cost, the difference may be refunded to the applicant. All fees
35 collected pursuant to this section must be deposited directly to the General Fund, except
36 that \$25,000 of the annual renewal fee for a commercial track slot machine operator must
37 be deposited to the Gross Slot Income Other Special Revenue Fund account within the
38 Gambling Control Board to be transferred to the municipality in which the slot machines
39 are operated, in accordance with subsection 2. All application and registration fees are
40 nonrefundable and are due upon submission of the application.

41 **Sec. 6. 8 MRSA §1018, sub-§2**, as enacted by PL 2003, c. 687, Pt. A, §5 and
42 affected by Pt. B, §11, is amended to read:

1 **2. Term of license; renewal, renewal fees.** All licenses issued by the board under
2 this chapter are effective for one year, unless revoked or surrendered pursuant to
3 subchapter 5. Upon proper application and payment of the required fees and taxes and in
4 accordance with rules adopted by the board, the board may renew a license for an
5 additional year if municipal approval has been obtained as provided in section 1012. The
6 board shall transfer \$25,000 of the renewal fee for a commercial track slot machine
7 operator license required by subsection 1, paragraph C to the municipality in which the
8 slot machines are operated.

9 **Sec. 7. 8 MRSA §1020, sub-§3,** as amended by PL 2005, c. 663, §9, is further
10 amended to read:

11 **3. Limits on total slot machines.** The board shall determine the number of slot
12 machines to be registered in the State. The board shall make this determination based
13 upon the minimum net slot machine income, when distributed pursuant to section 1036,
14 necessary to maintain the harness horse racing industry in this State, except that:

15 ~~A. The total number of slot machines registered in the State may not exceed 1,500;~~
16 ~~and~~

17 B. A slot machine operator may not operate more than 1,500 slot machines at ~~any~~
18 ~~one~~ a commercial track; and

19 C. A slot machine operator that is a federally recognized Indian tribe that operates
20 high-stakes beano may not operate more than 400 slot machines.

21 **Sec. 8. 8 MRSA §1036, sub-§2,** as amended by PL 2007, c. 466, Pt. A, §29, is
22 repealed and the following enacted in its place:

23 **2. Distribution from commercial track.** A commercial track slot machine operator
24 shall collect and distribute 39% of the net slot machine income from slot machines
25 operated by the commercial track slot machine operator to the board for distribution by
26 the board as follows:

27 A. Three percent of the net slot machine income must be deposited to the General
28 Fund for administrative expenses of the board, including gambling addiction
29 counseling services, in accordance with rules adopted by the board;

30 B. Ten percent of the net slot machine income must be forwarded by the board to the
31 Treasurer of State, who shall credit the money to the fund established in section 298
32 to supplement harness racing purses;

33 C. Three percent of the net slot machine income must be credited by the board to the
34 Sire Stakes Fund created in section 281;

35 D. Three percent of the net slot machine income must be forwarded by the board to
36 the Treasurer of State, who shall credit the money to the Agricultural Fair Support
37 Fund established in Title 7, section 91;

38 E. Ten percent of the net slot machine income must be forwarded by the board to
39 the State Controller to be credited to the Fund for a Healthy Maine established by
40 Title 22, section 1511 and segregated into a separate account under Title 22, section
41 1511, subsection 11, with the use of funds in the account restricted to the purposes
42 described in Title 22, section 1511, subsection 6, paragraph E;

1 F. Two percent of the net slot machine income must be forwarded by the board to the
2 University of Maine System Scholarship Fund created in Title 20-A, section 10909;

3 G. One percent of the net slot machine income must be forwarded by the board to the
4 board of trustees of the Maine Community College System to be applied by the board
5 of trustees to fund its scholarships program under Title 20-A, section 12716,
6 subsection 1;

7 H. Four percent of the net slot machine income must be forwarded by the board to
8 the Treasurer of State, who shall credit the money to the Fund to Encourage Racing at
9 Maine's Commercial Tracks, established in section 299; however, the payment
10 required by this paragraph is terminated when all commercial tracks have obtained a
11 license to operate slot machines in accordance with this chapter;

12 I. Two percent of the net slot machine income must be forwarded by the board to the
13 Treasurer of State, who shall credit the money to the Fund to Stabilize Off-track
14 Betting Facilities established by section 300, as long as a facility has conducted off-
15 track wagering operations for a minimum of 250 days during the preceding 12-month
16 period in which the first payment to the fund is required. After 48 months of
17 receiving an allocation of the net slot machine income from a licensed operator, the
18 percent of net slot machine income forwarded to the Fund to Stabilize Off-track
19 Betting Facilities is reduced to 1% with the remaining 1% to be forwarded to the
20 State in accordance with subsection 1; and

21 J. One percent of the net slot machine income must be forwarded directly to the
22 municipality in which the slot machines are located.

23 **Sec. 9. 8 MRSA §1036, sub-§2-A is enacted to read:**

24 **2-A. Distribution from tribal gambling facility.** A slot machine operator that is a
25 federally recognized Indian tribe in the State licensed to operate high-stakes beano shall
26 collect and distribute 38% of the net slot machine income from slot machines operated by
27 the slot machine operator to the board for distribution by the board as follows:

28 A. Three percent of the net slot machine income must be deposited to the General
29 Fund for administrative expenses of the board, including gambling addiction
30 counseling services, in accordance with rules adopted by the board;

31 B. Two and one half percent of the net slot machine income must be forwarded by
32 the board to the University of Maine System Scholarship Fund created in Title 20-A,
33 section 10909;

34 C. Two and one half percent of the net slot machine income must be forwarded by
35 the board to the board of trustees of the Maine Community College System to be
36 applied by the board of trustees to fund its scholarships program under Title 20-A,
37 section 12716, subsection 1;

38 D. Five percent of the net slot machine income must be forwarded by the board to
39 the board of trustees of the Maine Community College System to support the
40 operating budget of the system;

- 1 E. Five percent of the net slot machine income must be forwarded by the board to the
2 Department of Defense, Veterans and Emergency Management, Bureau of Maine
3 Veterans' Services;
- 4 F. Five percent of the net slot machine income must be forwarded by the board to the
5 Maine Technology Institute under Title 5, section 15302;
- 6 G. Five percent of the net slot machine income must be distributed by the board in
7 equal amounts to nonprofit organizations licensed as of January 1, 2007 to conduct
8 beano within 75 miles of where slot machines are operated by a federally recognized
9 Indian tribe in the State;
- 10 H. Five percent of the net slot machine income must be forwarded by the board to
11 the bordering municipality with the highest population where slot machines are
12 operated by a federally recognized Indian tribe in the State; and
- 13 I. Five percent of the net slot machine income must be distributed by the board to
14 other federally recognized Indian tribes in the State that are not licensed to operate
15 slot machines.'

16

SUMMARY

17 This amendment replaces the bill. The amendment allows for 400 slot machines, to
18 be operated by a federally recognized Indian tribe that is licensed to conduct high-stakes
19 beano as of January 1, 2007. The license would be subject to existing licensing
20 requirements and oversight by the Gambling Control Board. The initial license fee for the
21 slot machine license established by this amendment, based on the maximum of 400
22 machines, is \$55,000 and the annual renewal fee is \$20,000. One percent of the gross slot
23 machine revenue would be required to be deposited to the General Fund. Thirty-eight
24 percent of the net slot machine revenue from slot machines operated by a federally
25 recognized Indian tribe under this amendment would be distributed as follows:

- 26 1. Three percent to the General Fund for administrative expenses of the board,
27 including gambling addiction counseling services, in accordance with rules adopted by
28 the board;
- 29 2. Two and one half percent to the University of Maine System Scholarship Fund;
- 30 3. Two and one half percent to the Maine Community College System to fund its
31 scholarships program;
- 32 4. Five percent to the Maine Community College System;
- 33 5. Five percent to the Department of Defense, Veterans and Emergency
34 Management, Bureau of Maine Veterans' Services;
- 35 6. Five percent to the Maine Technology Institute;
- 36 7. Five percent, in equal amounts, to nonprofit organizations licensed as of January
37 1, 2007 to conduct beano within 75 miles of where slot machines are operated by a
38 federally recognized Indian tribe in the State;

COMMITTEE AMENDMENT "B" to H.P. 532, L.D. 701

1 8. Five percent to the bordering municipality with the highest population where slot
2 machines are operated by a federally recognized Indian tribe that is licensed to conduct
3 high-stakes beano; and

4 9. Five percent to be distributed to other federally recognized Indian tribes in the
5 State that are not licensed to operate slot machines.

6
7

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



123rd MAINE LEGISLATURE

LD 701

LR 666(04)

An Act To Authorize the Operation of Slot Machines on Indian Island in Old Town

Fiscal Note for Bill as Amended by Committee Amendment "B"

Committee: Legal and Veterans Affairs

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings)				
General Fund	\$0	\$0	(\$73,974)	(\$33,535)
Appropriations/Allocations				
General Fund	\$0	\$0	\$264,512	\$102,000
Other Special Revenue Funds	\$0	\$0	\$255,150	\$255,150
Revenue				
General Fund	\$0	\$0	\$338,486	\$135,620
Other Special Revenue Funds	\$0	\$0	\$255,150	\$255,150

Correctional and Judicial Impact Statements

Establishes new Class C crimes. Sentences for more than nine months imposed for a Class C crime must be served in a state correctional facility. The average cost to the state for each sentence is \$70,308 based on an average length of stay of 1 year, 10 months. Sentences of nine months or less imposed for a Class C crime must be served in a county jail. The average cost to a county for each sentence is \$19,947 based on an average length of stay of 6 months and 2 days. Based on experience with the slot machine operation in Bangor, no additional criminal cases are expected

Fiscal Detail and Notes

Presented below is a detailed estimate of slot machine revenues and subsequent distribution that may be generated by a federally recognized Indian tribe that is licensed to conduct high-stakes beano as of January 1, 2007. This estimate assumes that the Indian tribe would operate 100 slot machines during Super Beano Weekends (currently set by statute at 27 weekends per year) starting July 1, 2009. It also assumes that the 400 slot machines allowed by the legislation would be phased in over a period of time determined by the Indian tribe based upon the experience of the first 100 machines. This estimate also assumes no significant effect on revenue generated by the licensed racino facility in Bangor. If there is an appreciable shift of revenue, there will be a reduction in the amounts of dedicated revenue distributed from that facility.

Summary of Slot Machine Revenue	2007-08	2008-09	2009-10	2010-11
Total Slot Machine Revenue	\$0	\$0	\$8,100,000	\$8,100,000
Payback	\$0	\$0	\$7,290,000	\$7,290,000
General Fund Administration @ 1%	\$0	\$0	\$81,000	\$81,000
Net Slot Machine Income @ 10%	\$0	\$0	\$729,000	\$729,000
38% of Net Slot Machine Income to State & Municipality	\$0	\$0	\$277,020	\$277,020

	2007-08	2008-09	2009-10	2010-11
Required Distribution of Net Slot Machine Income (33% State & 5% Neighboring Municipality Share)				
General Fund (3%)	\$0	\$0	\$21,870	\$21,870
University of Maine Scholarship Fund (2.5%)	\$0	\$0	\$18,225	\$18,225
Community College System scholarship program (2.5%)	\$0	\$0	\$18,225	\$18,225
Community College System - general fund (5%)	\$0	\$0	\$36,450	\$36,450
Bureau of Veterans Services (5%)	\$0	\$0	\$36,450	\$36,450
Maine Technology Institute (5%)	\$0	\$0	\$36,450	\$36,450
Nonprofit organizations licensed to conduct beano (5%)	\$0	\$0	\$36,450	\$36,450
Neighboring municipality (5%)	\$0	\$0	\$36,450	\$36,450
Federally recognized tribes not licensed for slots (5%)	\$0	\$0	\$36,450	\$36,450

Other Revenue Impacts:

License fees to the General Fund	\$0	\$0	\$74,500	\$32,750
Reimbursements to the General Fund	\$0	\$0	\$161,116	\$0

Summary of Revenue Impacts

General Fund:				
- 1% of Total Slot Income	\$0	\$0	\$81,000	\$81,000
- 3% of Net Slot Machine Income	\$0	\$0	\$21,870	\$21,870
- Reimbursements	\$0	\$0	\$161,116	\$0
- License fees to the General Fund	\$0	\$0	\$74,500	\$32,750
General Fund Total	\$0	\$0	\$338,486	\$135,620

Other Special Revenue Funds:

- University of Maine Scholarship Fund	\$0	\$0	\$18,225	\$18,225
- Community College System scholarship program	\$0	\$0	\$18,225	\$18,225
- Community College System - general fund	\$0	\$0	\$36,450	\$36,450
- Bureau of Veterans Services	\$0	\$0	\$36,450	\$36,450
- Maine Technology Institute	\$0	\$0	\$36,450	\$36,450
- Nonprofit organizations licensed to conduct beano	\$0	\$0	\$36,450	\$36,450
- Neighboring municipality	\$0	\$0	\$36,450	\$36,450
- Federally recognized tribes not licensed for slots	\$0	\$0	\$36,450	\$36,450
Other Special Revenue Total	\$0	\$0	\$255,150	\$255,150

	2007-08	2008-09	2009-10	2010-11
Summary of Expenditure Impacts				
General Fund Appropriations:				
- Public Safety I	\$0	\$0	\$264,512	\$102,085

General Fund Total	\$0	\$0	\$264,512	\$102,085
Other Special Revenue Funds Allocations ² :				
Maine Community College System				
- scholarship program	\$0	\$0	\$18,225	\$18,225
- System general fund	\$0	\$0	\$36,450	\$36,450
Maine Community College System -Total	\$0	\$0	\$54,675	\$54,675
Defense, Veterans and Emergency Management				
- Bureau of Veterans Services	\$0	\$0	\$36,450	\$36,450
Defense, Veterans and Emergency Management - Total	\$0	\$0	\$36,450	\$36,450
Economic and Community Development				
- Maine Technology Institute	\$0	\$0	\$36,450	\$36,450
Economic and Community Development - Total	\$0	\$0	\$36,450	\$36,450
Public Safety				
- Nonprofit organizations licensed to conduct beano	\$0	\$0	\$36,450	\$36,450
- Neighboring municipality	\$0	\$0	\$36,450	\$36,450
- Federally recognized tribes not licensed for slots	\$0	\$0	\$36,450	\$36,450
Public Safety- Total	\$0	\$0	\$109,350	\$109,350
University of Maine System				
- University of Maine Scholarship Fund	\$0	\$0	\$18,225	\$18,225
University of Maine System - Total	\$0	\$0	\$18,225	\$18,225
Other Special Revenue Funds Total	\$0	\$0	\$255,150	\$255,150

Notes;

- 1 The Gambling Control Board within the Department of Public Safety will require additional General Fund appropriations of \$264,512 and \$102,085 in fiscal years 2009-10 and 2010-11, respectively, for the costs of one additional Public Safety Inspector position and necessary operating costs.
- 2 Allocations are needed to allow the distribution of the additional dedicated revenue.